

# **EXHIBIT 29**

**Reardon, Steve**

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**From:** Reardon, Steve  
**Sent:** Friday, April 27, 2007 1:50 PM  
**To:** Parrish, Mark; Dolch, Gary; Grant, Claude; Duffy, Mike; Strizzi, Dave  
**Cc:** Giacalone, Robert; Brantley, Eric; Goodman, Heather; Walsh, Dan; Goldsand, Corey  
**Subject:** Internet Pharmacy/ABC Update

Yesterday, Eric Brantley and I spoke with Kyle Wright, Chief, E-Commerce Operations DEA HQ, regarding internet pharmacies and the ABC registration suspension. Kyle has been our point of contact on this issue since we implemented our internet pharmacy diversion program. The purpose of the call was to confirm that we have the appropriate program and processes in place, ask if there is anything else we should be doing, reiterate our willingness to work with the Agency on this issue and to extend an offer to meet with the Agency to further discuss the details of our program.

Key feedback from Kyle included:

- He thinks we are doing the right things and heading in the right direction.
- Stated that Eric, who manages our program centrally in Dublin, has established an excellent working relationship with his office.
- Identified pain clinics as a growing concern for the Agency and provided guidance on how to deal with our pharmacy customers who have relationships with these clinics and what we should be reporting to the local DEA offices.
- Document everything we do.
- If there is any suspicion regarding a potential or current customer, walk away.
- Lastly, he stated that his office was not the decision maker on the ABC suspension and had little input into the decision. It appears that the Miami Field Division, who conducted the targeted internet pharmacy inspection at Lakeland last month, was the driver. I asked Kyle if he would put in a good word for us, our program and our willingness to cooperate if he speaks with the Miami office. He said he would be talking with them later today (4-26-07). Although he did not come right out and say it, I am confident that he would convey that we are making good faith efforts to meet DEA's expectations.

Additionally as a follow up to the Lakeland inspection, we continue to provide information to the DEA's Miami office regarding our program and investigations we have conducted. Attached is the latest response which was sent today. We took the opportunity to reinforce our ongoing efforts and our cooperation with Kyle Wright's office.

Please let me know if you have any questions.

Steve



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April 27, 2007

VIA E-MAIL

Jan. A. Hamilton  
Drug Enforcement Administration  
Diversion Investigator  
Miami Field Division  
Miami Diversion Group  
8400 N.W. 53 Street  
Miami, FL 33166

Dear Ms. Hamilton:

Pursuant to your request, I am providing the following information on actions that were taken by Cardinal Health's pharmaceutical distribution business with respect to certain pharmacy accounts. Cardinal Health takes its responsibilities in distributing controlled substances very seriously and as you know, we have cooperated with DEA in its investigations of Internet pharmacies. In fact, Mr. Steve Reardon (Vice President, Quality and Regulatory Affairs for this business unit) and Mr. Bob Giacalone (Senior Vice President, Regulatory Affairs and Chief Regulatory Counsel) met with Mr. Michael Mapes and Ms. Vickie Seeger of DEA in August 2005. During this meeting, both Mr. Mapes and Ms. Seeger educated Mr. Reardon and Mr. Giacalone on DEA's concerns regarding inappropriate internet pharmacy dispensing of controlled substances and what assistance drug wholesalers, like Cardinal Health, could provide. Based upon this meeting, we began the process of instituting various programs that included monitoring suspicious accounts and training of our people with the goal of identifying and eventually terminating our relationship with Internet pharmacies that appeared to be illegally dispensing controlled substances. As we discussed, this process has been developing as we continue to refine our processes to better identify and streamline this activity. As always, we welcome DEA's comments and suggestions in helping us to further improve our compliance in this regard.

Between November 2005 and November 2006 we were provided by DEA via email with various lists of suspect Internet pharmacies numbering one hundred and forty-nine. Of those pharmacies identified in these DEA generated lists, Cardinal Health only provided distribution services to seven pharmacies. We conducted investigations of these seven pharmacies and as a result promptly discontinued providing controlled substances to five of those accounts and limited controlled substance sales to another. With respect to the seventh pharmacy, there was no evidence of Internet activity. In addition, as discussed above, we began the creation of a program to help identify and eventually eliminate, as customers, those Internet pharmacies yet to be identified by DEA as acting illegally. We based our (independent) decisions to terminate suspect Internet pharmacies upon criteria provided to us by Mr. Mapes and Ms. Seeger at our initial meeting. In addition, our program involving the identification and termination of suspect Internet pharmacies has developed and grown over time. Needless to say, the task of identifying and then investigating whether such accounts are legitimate is a timely and resource intensive process. This is in addition to the various training initiatives we have undertaken beginning with educating our senior management in November 2005 and culminating with the completion of the training for our entire pharmaceutical distribution sales force that concluded in July 2006. In addition, we recently completed training of our distribution center operations personnel. As a result, we believe our processes are becoming more robust and consistent as evidenced by these actions coupled with our establishment of a policy covering this activity (copy attached).

In our discussions, you asked about various Internet pharmacy accounts that we voluntarily terminated based upon our belief that they may be illegally or inappropriately dispensing controlled substances. While shipments of controlled substances to all of these pharmacies were eventually discontinued, there is some variability in the time it took to discontinue shipping to some of these accounts. Again, this variability is based upon the fact that our program was (and to a certain extent is) still developing and delays may have occurred due to the time it took to train appropriate personnel on our new procedures; our ability to identify and then investigate these new accounts; and, our work towards establishing a program in which this could be accomplished accurately and efficiently. As mentioned above, all of the Internet pharmacy accounts listed below have been terminated as customers for controlled substances. In addition, prior to this action on our part, DEA had been notified by us of excessive purchases of controlled substances (via Ingredient Limit Reports) for these accounts in advance of our decision. Rather than wait upon a response from DEA, Cardinal Health initiated the following actions as described below. That being the case, we believe that our program is in accordance with DEA's expectations and we continue to improve it and add resources to it. For example, we added an additional headcount in February 2007 to assist in the identification and investigations of suspect Internet pharmacies. That being the case, you will see that our timing in terms of identification, investigation and subsequent action concerning suspect Internet pharmacies has improved over the time in which this program has matured.

The actions taken on the specific Internet pharmacy accounts we identified and subsequently terminated are as follows:

**Amerimed – DEA# BA9597127**

A recommendation was made to discontinue shipments of controlled substances to this account on April 14<sup>th</sup>, 2006. An email was sent to David Velez, RVP of Sales, and Steve Mason Director of Sales. A follow-up email was sent on June 14<sup>th</sup>, 2006 after reviewing the May Ingredient Limit Report which listed Amerimed purchases. Controlled substance shipments were discontinued on June 23<sup>rd</sup>, 2006.

**National Pharmacy dba Medicine Shoppe – DEA# BN4151279**

A recommendation was made to discontinue shipments of controlled substances to this account on May 1<sup>st</sup>, 2006. An email was sent to David Velez, RVP, and Mike McMahon, SVP. Controlled substance shipments were discontinued on May 31<sup>st</sup>, 2006.

**Medipharma – DEA# BM9038008**

A personal visit was made to this account on December 13<sup>th</sup>, 2005. Controlled substance shipments were discontinued on December 14<sup>th</sup>, 2005.

**Q-R-G – DEA# BQ94554420**

A recommendation was made to discontinue shipments of controlled substances to this account on May 1<sup>st</sup>, 2006. An email was sent to David Velez, VP and Steve Mason, Sales Director of Sales. A follow up email was sent on June 14<sup>th</sup>, 2006 after reviewing the May Ingredient Limit Report which listed Q-R-G purchases. Controlled substance shipments were discontinued on July 14<sup>th</sup>, 2006.

**RKR Holdings – DEA# BR9174878**

A recommendation was made to discontinue shipments of controlled substances to this account on January 11<sup>th</sup>, 2006. An email was sent to Mike McMahon, SVP, and David Velez, RVP. Controlled substance shipments were discontinued on January 19<sup>th</sup>, 2006. Subsequently, Cardinal Health purchased another drug wholesaler, F. Dohmen Co. It was then discovered that RKR was purchasing controlled substances from Dohmen under an existing account with that wholesaler. After Dohmen's operations became integrated with Cardinal Health's, excessive purchases of controlled substances for this account were discovered while reviewing Ingredient Limit reports for October & November 2006. The Sales Consultant and Manager were contacted on December 19<sup>th</sup>, 2006 and a recommendation to discontinue controlled substance shipments to this account was made January 4<sup>th</sup>, 2007. Controlled substance shipments were discontinued on January 19<sup>th</sup>, 2007.

**United Prescription Services – DEA# BU6696073**

A recommendation to discontinue business to this account was made on September 29<sup>th</sup>, 2006. Controlled substance shipments were discontinued on October 5<sup>th</sup>, 2006.

**Vin Kash – DEA# BV9062097**

A recommendation to discontinue business to this account was made on December 6<sup>th</sup>, 2005. Controlled substance shipments were discontinued on January 18<sup>th</sup>, 2006.

We hope the information provided is useful in assisting DEA with its efforts and shows Cardinal Health's commitment to compliance with DEA requirements and furthering our ongoing positive relationship with DEA. If you have any questions or need anything further, please let me know. Also, if you have any suggestions for improving our program, we welcome your thoughts.

Sincerely,

A handwritten signature in cursive script that reads "Eric Brantley".

Eric Brantley  
Director, Quality and Regulatory Affairs

cc: Kyle Wright  
Chief, E-Commerce Operations Unit

attach.